REFERENCE TITLE: landlord tenant act amendments

State of Arizona Senate Forty-eighth Legislature First Regular Session 2007

## **SB 1255**

Introduced by Senator Leff

## AN ACT

AMENDING SECTIONS 33-1314, 33-1321, 33-1324, 33-1341, 33-1343, 33-1363, 33-1366, 33-1368, 33-1370 AND 33-1371, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA RESIDENTIAL LANDLORD AND TENANT ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

- j -

Be it enacted by the Legislature of the State of Arizona: Section 1. Section 33-1314, Arizona Revised Statutes, is amended to read:

## 33-1314. Terms and conditions of rental agreement

- A. The landlord and tenant may include in a rental agreement terms and conditions not prohibited by this chapter or any other rule of law including rent, term of the agreement and other provisions governing the rights and obligations of the parties.
- B. In the absence of a rental agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.
- C. Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the dwelling unit and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal monthly installments at the beginning of each month. Unless otherwise agreed, rent shall be uniformly apportionable from day-to-day.
- D. Unless the rental agreement fixes a definite term, the tenancy shall be week-to-week in case of a roomer who pays weekly rent, and in all other cases month-to-month.
- E. If a municipality that levies a transaction privilege tax on residential rent changes the percentage of that tax, the landlord on thirty day DAYS' written notice to the tenant may adjust the amount of rent due to equal the difference caused by THE new percentage amount of THE tax. The adjustment to rent shall not occur before the date upon which the new tax is effective. In order for a landlord to adjust rent pursuant to this subsection, the landlord's right to adjust rent pursuant to this subsection shall be disclosed in the rental agreement.
- F. THE LANDLORD MAY REQUIRE AS A CONDITION OF TENANCY THAT THE TENANT OBTAIN PROPERTY AND CASUALTY INSURANCE TO PROVIDE LIABILITY COVERAGE FOR THE TENANT'S ACTIONS AND THE TENANT'S GUESTS' ACTIONS AND PROPERTY COVERAGE FOR THE TENANT'S PERSONAL PROPERTY IN THE DWELLING UNIT. IF REQUIRED BY THE LANDLORD, THE TENANT SHALL PROVIDE PROOF OF INSURANCE COVERAGE TO THE LANDLORD BEFORE THE TENANT TAKES POSSESSION AND FROM TIME TO TIME AS REQUESTED BY THE LANDLORD. FAILURE TO PROVIDE PROOF OF INSURANCE CONSTITUTES A MATERIAL NONCOMPLIANCE WITH THE RENTAL AGREEMENT. IF THE LANDLORD REQUIRES THE TENANT TO OBTAIN INSURANCE AS PRESCRIBED IN THIS SUBSECTION, THE TENANT SHALL NAME THE LANDLORD AS AN ADDITIONAL INSURED ON THE INSURANCE POLICY.
- G. NOTWITHSTANDING SECTION 14-3911, THE LANDLORD MAY REQUIRE THE TENANT TO PROVIDE THE NAME AND CONTACT INFORMATION OF A PERSON WHO IS AUTHORIZED BY THE TENANT TO ENTER THE TENANT'S DWELLING UNIT TO RETRIEVE AND STORE THE TENANT'S PROPERTY IF THE TENANT DIES OR IS OTHERWISE DISABLED. IF THE LANDLORD IS UNABLE TO CONTACT THE AUTHORIZED PERSON AT THE ADDRESS AND TELEPHONE NUMBER PROVIDED TO THE LANDLORD BY THE TENANT OR THE AUTHORIZED PERSON FAILS TO RESPOND TO THE LANDLORD'S REQUEST WITHIN FIVE DAYS OF INITIAL CONTACT, THE LANDLORD MAY DISPOSE OF THE PROPERTY AS PRESCRIBED IN SECTION

- 1 -

33-1370. BEFORE REMOVING ANY OF THE TENANT'S PERSONAL PROPERTY, THE AUTHORIZED PERSON SHALL PRESENT TO THE LANDLORD A VALID GOVERNMENT ISSUED IDENTIFICATION THAT CONFIRMS THE IDENTITY OF THE AUTHORIZED PERSON. THE AUTHORIZED PERSON SHALL HAVE TEN DAYS FROM THE DATE OF INITIAL CONTACT BY THE LANDLORD TO REMOVE ITEMS FROM THE RENTAL PROPERTY AND RETURN KEYS TO THE LANDLORD DURING REGULAR BUSINESS HOURS. IF THE LANDLORD ALLOWS AN AUTHORIZED PERSON TO ENTER THE PROPERTY TO REMOVE THE TENANT'S PERSONAL POSSESSIONS AS PRESCRIBED BY THIS SUBSECTION, THE LANDLORD HAS NO FURTHER LIABILITY TO THE TENANT, THE TENANT'S ESTATE OR THE TENANT'S HEIRS. IF THE TENANT'S PERSONAL PROPERTY IS NOT ENTIRELY REMOVED FROM THE RENTAL UNIT BY AN AUTHORIZED PERSON, THE LANDLORD MAY DISPOSE OF THE PROPERTY AS PRESCRIBED IN SECTION 33-1370.

H. THE LANDLORD MAY INCLUDE AN EARLY TERMINATION FEE PROVISION IN THE LEASE WITH A FEE THAT IS DUE AND PAYABLE BY THE TENANT IF THE TENANT REQUESTS AN EARLY TERMINATION OF THE LEASE. THE EARLY TERMINATION FEE CONSTITUTES A CHARGE UNDER THE LEASE AND MAY BE APPLIED AGAINST THE SECURITY DEPOSIT PURSUANT TO SECTION 33-1321. IF THE LEASE CONTAINS AN EARLY TERMINATION FEE PROVISION AND THE TENANT EXERCISES THE EARLY TERMINATION PROVISION, THE LANDLORD MAY COLLECT THE EARLY TERMINATION FEE PLUS ANY CONCESSION PREVIOUSLY GRANTED TO THE TENANT AND HAS NO OBLIGATION TO MINIMIZE OR MITIGATE THE LANDLORD'S DAMAGES FROM LOST RENT.

Sec. 2. Section 33-1321, Arizona Revised Statutes, is amended to read: 33-1321. Security deposits

- A. A landlord shall not demand or receive security, however denominated, including, but not limited to, prepaid rent in an amount or value in excess of one and one-half month's rent. This subsection does not prohibit a tenant from voluntarily paying more than one and one-half month's rent in advance.
- B. The purpose of all nonrefundable fees or deposits shall be stated in writing by the landlord. Any fee or deposit not designated as nonrefundable shall be refundable.
- C. With respect to tenants who first occupy the premises or enter into a new written rental agreement after January 1, 1996, upon move in a landlord shall furnish the tenant with a signed copy of the lease, a move-in form for specifying any existing damages to the dwelling unit and written notification to the tenant that the tenant may be present at the move-out inspection. Upon request by the tenant, the landlord shall notify the tenant when the landlord's move-out inspection will occur. If the tenant is being evicted for a material and irreparable breach and the landlord has reasonable cause to fear violence or intimidation on the part of the tenant, the landlord has no obligation to conduct a joint move-out inspection with the tenant.
- D. Upon termination of the tenancy, property or money held by the landlord as prepaid rent and security may be applied to the payment of all rent, and subject to a landlord's duty to mitigate, all charges as specified

- 2 -

in the signed lease agreement, or as provided in this chapter, including the amount of damages which the landlord has suffered by reason of the tenant's noncompliance with section 33-1341. Within fourteen days, excluding Saturdays, Sundays or other legal holidays, after termination of the tenancy and delivery of possession and demand by the tenant the landlord shall provide the tenant an itemized list of all deductions together with the amount due and payable to the tenant, if any. Unless other arrangements are made in writing by the tenant, the landlord shall mail THE ITEMIZED LIST AND ANY AMOUNT DUE, by regular FIRST CLASS mail, to the tenant's last known place of residence.

- E. If the landlord fails to comply with subsection D of this section the tenant may recover the property and money due the tenant together with damages in an amount equal to twice the amount wrongfully withheld.
- F. This section does not preclude the landlord or tenant from recovering other damages to which the landlord or tenant may be entitled under this chapter.
- G. ON PAYMENT OF ANY SECURITY DEPOSITS OR OTHER REFUNDABLE DEPOSITS, THE DEPOSITS ARE THE LEGAL PROPERTY OF THE LANDLORD AND MAY BE USED IN ACCORDANCE WITH ANY APPLICABLE PROPERTY MANAGEMENT AGREEMENT WITHOUT PENALTY.
- G. H. The holder of the landlord's interest in the premises at the time of the termination of the tenancy is bound by this section.
  - Sec. 3. Section 33-1324, Arizona Revised Statutes, is amended to read: 33-1324. Landlord to maintain fit premises
  - A. The landlord shall:
- 1. Comply MAKE ALL REPAIRS AND DO WHATEVER IS NECESSARY TO PUT AND KEEP THE PREMISES IN COMPLIANCE with the requirements of applicable building codes materially affecting health and safety AS PRESCRIBED IN SECTION 9-1303.
- 2. Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition.
- 3. 2. Keep all common areas of the premises in a clean and safe condition.
- 4. 3. Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances, including elevators, supplied or required to be supplied by him.
- 5. 4. Provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish and other waste incidental to the occupancy of the dwelling unit and arrange for their removal.
- 6. 5. Supply running water and reasonable amounts of hot water at all times, reasonable heat and reasonable air-conditioning or cooling where such units are installed and offered, when required by seasonal weather conditions, except where the building that includes the dwelling unit is not required by law to be equipped for that purpose or the dwelling unit is so constructed that heat, air-conditioning, cooling or hot water is generated by

- 3 -

an installation within the exclusive control of the tenant and supplied by a direct public utility connection.

- B. If the duty imposed by subsection A, paragraph 1 of this section is greater than any duty imposed by any other paragraph of this section, the landlord's duty shall be determined by reference to that paragraph.
- C. The landlord and tenant of a single family residence may agree in writing, supported by adequate consideration, that the tenant perform the landlord's duties specified in subsection A, paragraphs  $\frac{5}{2}$  4 and  $\frac{6}{2}$  5 of this section, and also specified repairs, maintenance tasks, alterations and remodeling, but only if the transaction is entered into in good faith, not for the purpose of evading the obligations of the landlord and the work is not necessary to cure noncompliance with subsection A, paragraphs PARAGRAPH 1 and 2 of this section.
- D. The landlord and tenant of any dwelling unit other than a single family residence may agree that the tenant is to perform specified repairs, maintenance tasks, alterations or remodeling only if:
- 1. The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord and is set forth in a separate writing signed by the parties and supported by adequate consideration.
- 2. The work is not necessary to cure noncompliance with subsection A,  $\frac{1}{2}$  paragraphs PARAGRAPH 1 and 2 of this section.
- 3. The agreement does not diminish or affect the obligation of the landlord to other tenants in the premises.
  - Sec. 4. Section 33-1341, Arizona Revised Statutes, is amended to read: 33-1341. <u>Tenant to maintain dwelling unit</u>

The tenant shall:

- 1. Comply with all obligations primarily imposed upon tenants by applicable provisions of building codes materially affecting health and safety.
- 2. Keep that part of the premises that he occupies and uses as clean and safe as the condition of the premises permit.
- 3. Dispose from his dwelling unit all ashes, rubbish, garbage and other waste in a clean and safe manner.
- 4. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits.
- 5. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances including elevators in the premises.
- 6. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or knowingly permit any person to do so.
- 7. Conduct himself and require other persons on the premises with his consent to conduct themselves in a manner that will not disturb his neighbors' peaceful enjoyment of the premises.

- 4 -

8. PROMPTLY NOTIFY THE LANDLORD IN WRITING OF ANY SITUATION OR OCCURRENCE THAT REQUIRES THE LANDLORD TO PROVIDE MAINTENANCE, MAKE REPAIRS OR OTHERWISE REQUIRES THE LANDLORD TO TAKE ACTION AS PRESCRIBED IN SECTION 33-1324.

Sec. 5. Section 33-1343, Arizona Revised Statutes, is amended to read: 33-1343. Access

- A. The tenant shall not unreasonably withhold consent to the landlord to enter into the dwelling unit in order to inspect the premises, make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors.
- B. IF THE TENANT NOTIFIES THE LANDLORD OF A SERVICE REQUEST OR A REQUEST FOR MAINTENANCE IN WRITING AS PRESCRIBED IN SECTION 33-1341, PARAGRAPH 8, THE NOTICE CONSTITUTES AUTHORITY FOR THE LANDLORD TO ENTER THE DWELLING UNIT AT ALL REASONABLE TIMES FOR THE SOLE PURPOSE OF ACTING ON THE SERVICE OR MAINTENANCE REQUEST WITHOUT FURTHER NOTICE TO THE TENANT.
- B. C. The landlord may enter the dwelling unit without consent of the tenant in case of emergency.
- 6. D. The landlord shall not abuse the right to access or use it to harass the tenant. Except in case of emergency or if it is impracticable to do so, the landlord shall give the tenant at least two days' notice of his intent to enter and enter only at reasonable times.
- $^{\rm D.}$  E. The landlord has no other right of access except by court order and as permitted by sections 33-1369 and 33-1370, or if the tenant has abandoned or surrendered the premises.
  - Sec. 6. Section 33-1363, Arizona Revised Statutes, is amended to read: 33-1363. <u>Self-help for minor defects</u>
- A. If the landlord fails to comply with section 33-1324 AFTER RECEIVING WRITTEN NOTICE FROM THE TENANT PURSUANT TO SECTION 33-1324, PARAGRAPH 8 AND IF THE LANDLORD FAILS TO RESPOND AND CORRECT THE CONDITION AFTER TEN DAYS, and the reasonable cost of compliance is less than three hundred dollars, or an amount equal to one-half of the monthly rent, whichever amount is greater, the tenant may recover damages for the breach under section 33-1361, subsection B, or may notify the landlord of the tenant's intention to correct the condition at the landlord's expense. After being notified by the tenant in writing, if the landlord fails to comply within ten days or as promptly thereafter as conditions require in case of emergency, the tenant may cause the work to be done by a licensed contractor and, after submitting to the landlord an itemized statement and a waiver of lien, deduct from his rent the actual and reasonable cost of the work, not exceeding the amount specified in this subsection.
- B. A tenant may not repair at the landlord's expense if the condition was caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family or other person on the premises with the tenant's consent.

- 5 -

Sec. 7. Section 33-1366, Arizona Revised Statutes, is amended to read: 33-1366. Fire or casualty damage

- A. If the dwelling unit or premises are damaged or destroyed by fire or casualty to an extent that enjoyment of the dwelling unit is substantially impaired, the tenant may do either of the following:
- 1. Immediately vacate the premises and notify the landlord in writing within fourteen days thereafter of his intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of vacating.
- 2. If continued occupancy is lawful, vacate any part of the dwelling unit rendered unusable by the fire or casualty, in which case the tenant's liability for rent is reduced in proportion to the diminution in the fair rental value of the dwelling unit.
- B. If the rental agreement is terminated the landlord shall return all security recoverable under section 33-1321. Accounting for rent in the event of termination or apportionment is to occur as of the date the tenant vacates all or part of the dwelling unit.
- C. THIS SECTION DOES NOT APPLY IF THE TENANT OR A GUEST OF THE TENANT CAUSED THE FIRE OR OTHER CASUALTY TO OCCUR.
  - Sec. 8. Section 33-1368, Arizona Revised Statutes, is amended to read: 33-1368. Noncompliance with rental agreement by tenant; failure to pay rent; utility discontinuation; liability for guests; definition
- A. Except as provided in this chapter, if there is a material noncompliance by the tenant with the rental agreement, including material falsification of the information provided on the rental application, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than ten days after receipt of the notice if the breach is not remedied in ten days. For the purposes of this section, material falsification shall include the following untrue or misleading information about the:
- 1. Number of occupants in the dwelling unit, pets, income of THE prospective tenant, social security number and current employment listed on the application or lease agreement.
- 2. Tenant's criminal records, prior eviction record and current criminal activity. Material falsification of information in this paragraph is not curable under this section.
- If there is a noncompliance by the tenant with section 33-1341 materially affecting health and safety, the landlord may deliver a written notice to the tenant specifying the acts and omissions constituting the breach and that the rental agreement will terminate upon a date not less than five days after receipt of the notice if the breach is not remedied in five days. However, If the breach is remediable by repair or the payment of damages or otherwise, and the tenant adequately remedies the breach before the date specified in

- 6 -

the notice, the rental agreement will not terminate. If there is an additional act of these types of noncompliance of the same or a similar nature during the term of the lease after the previous remedy of noncompliance, the landlord may institute a special detainer action pursuant to section 33–1377 ten days after delivery of a written notice advising the tenant that a second noncompliance of the same or a similar nature has occurred. If there is a breach that is both material and irreparable and that occurs on the premises, including but not limited to an illegal discharge of a weapon, homicide as defined PRESCRIBED in sections 13-1102 through 13-1105, prostitution as defined PRESCRIBED in section 13-3211, criminal street gang activity as prescribed in section 13-105, activity as prohibited in section 13-2308, the unlawful manufacturing, transferring, possessing, using or storing of a controlled substance as defined in section 13-3451, threatening or intimidating as prohibited in section 13-1202, assault as prohibited in section 13-1203, acts that have been found to constitute a nuisance pursuant to section 12–991 or a breach of the lease agreement that otherwise jeopardizes the health, safety and welfare of the landlord, the landlord's agent or another tenant or involving imminent or actual serious property damage, the landlord may deliver a written notice for immediate termination of the rental agreement and shall proceed under section 33-1377.

- B. A tenant may not withhold rent for any reason not authorized by this chapter. If rent is unpaid when due and the tenant fails to pay rent within five days after written notice by the landlord of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period of time, the landlord may terminate the rental agreement by filing a special detainer action pursuant to section 33-1377. Before the filing of a special detainer action the rental agreement shall be reinstated if the tenant tenders all past due and unpaid periodic rent and a reasonable late fee set forth in a written rental agreement. After a special detainer action is filed the rental agreement is reinstated only if the tenant pays all past due rent, reasonable late fees set forth in a written rental agreement, attorney fees and court costs. After a judgment has been entered in a special detainer action in favor of the landlord, any reinstatement of the rental agreement is solely in the discretion of the landlord.
- C. The landlord may recover all reasonable damages,— resulting from noncompliance by the tenant with the rental agreement or section 33-1341 or occupancy of the dwelling unit, court costs, reasonable attorney fees and all quantifiable damage caused by the tenant to the premises.
- D. The landlord may discontinue utility services provided by the landlord on the day following the day that a writ of restitution or execution is executed pursuant to section 12-1181. Disconnections shall be performed only by a person authorized by the utility whose service is being discontinued. Nothing in this section shall supersede standard tariff and

- 7 -

2

3

4

5

6 7

8

9

10 11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

operational procedures that apply to any public service corporation, municipal corporation or special districts providing utility services in this state.

The landlord shall hold the tenant's personal property for a period of twenty one TEN days beginning on the first day after a writ of restitution or writ of execution is executed as prescribed in section 12-1181. landlord shall use reasonable care in moving and holding the tenant's property and may store the tenant's property in an unoccupied dwelling unit owned by the landlord, the unoccupied dwelling unit formerly occupied by the tenant or off the premises if an unoccupied dwelling unit is not available. If the tenant's former dwelling unit is used to store the property, the landlord may change the locks on that unit at the landlord's discretion. The landlord shall prepare an inventory and promptly notify the tenant of the location and cost of storage of the personal property by sending a notice by certified mail, return receipt requested, addressed to the tenant's last known address and to any of the tenant's alternative addresses known to the landlord. To reclaim the personal property, the tenant shall pay the landlord only for the cost of removal and storage for the time the property is held by the landlord. Within five days after a written offer by the tenant to pay these charges the landlord must surrender possession of the personal property in the landlord's possession to the tenant upon the tenant's tender of payment. If the landlord fails to surrender possession of the personal property to the tenant, the tenant may recover the possessions or an amount equal to the damages determined by the court if the landlord has destroyed or disposed of the possessions before the twenty one TEN days specified in this section or after the tenant's offer to pay. The tenant shall pay all removal and storage costs accrued through the fifth day after the tenant's offer to pay is received by the landlord or the date of delivery or surrender of the property, whichever is sooner. Payment by the tenant relieves the landlord of any further responsibility for the tenant's possessions.

F. A tenant does not have any right of access to that property until all payments specified in subsection E of this section have been made in full, except that the tenant may obtain clothing and the tools, apparatus and books of a trade or profession and identification or financial documents including all those related to the tenant's immigration status, employment status, public assistance or medical care. If the landlord holds the property for the twenty-one TEN day period and the tenant does not make a reasonable effort to recover it, the landlord, upon the expiration of twenty-one TEN days as provided in this subsection, may administer the personal property as provided in section 33-1370, subsection  $\stackrel{\textbf{E}}{=}$  D. The landlord shall hold personal property after a writ of restitution or writ of execution is executed for not more than twenty-one TEN days after such an execution. Nothing in this subsection shall preclude the landlord and tenant

- 8 -

from making an agreement providing that the landlord will hold the personal property for a period longer than twenty one TEN days.

- G. For the purposes of this chapter, the tenant shall be held responsible for the actions of the tenant's guests that violate the lease agreement or rules or regulations of the landlord if the tenant could reasonably be expected to be aware that such actions might occur and did not attempt to prevent those actions to the best of the tenant's ability.
  - H. For THE purposes of this section, "days" means calendar days.
    Sec. 9. Section 33-1370, Arizona Revised Statutes, is amended to read:
    33-1370. Abandonment; notice; remedies; personal property;
    definition
- A. If a dwelling unit is abandoned after the time prescribed in subsection H—G of this section, the landlord shall send the tenant a notice of abandonment by certified mail, return receipt requested, addressed to the tenant's last known address and to any of the tenant's alternate addresses known to the landlord. The landlord shall also post a notice of abandonment on the door to the dwelling unit or any other conspicuous place on the property for five days. THE NOTICE OF ABANDONMENT SHALL INCLUDE A STATEMENT THAT THE TENANT'S PERSONAL PROPERTY WILL BE DISPOSED OF IF THE TENANT DOES NOT CLAIM THE PERSONAL PROPERTY PURSUANT TO SUBSECTION D.
- B. Five days after notice of abandonment has been both posted and mailed, the landlord may retake the dwelling unit and rerent the dwelling unit at a fair rental value if no personal property remains in the dwelling unit. After the landlord retakes the dwelling unit, money held by the landlord as a security deposit is forfeited and shall be applied to the payment of any accrued rent and other reasonable costs incurred by the landlord by reason of the tenant's abandonment.
- C. If the tenant abandons the dwelling unit, the landlord shall make reasonable efforts to rent it at a fair rental. If the landlord rents the dwelling unit for a term beginning prior to the expiration of the rental agreement, it is deemed to be terminated as of the date the new tenancy begins. If the landlord fails to use reasonable efforts to rent the dwelling unit at a fair rental or if the landlord accepts the abandonment as a surrender, the rental agreement is deemed to be terminated by the landlord as of the date the landlord has notice of the abandonment. If the tenancy is from month to month or week to week, the term of the rental agreement for this purpose shall be deemed to be a month or a week, as the case may be.
- D. After the landlord has retaken possession of the dwelling unit, the landlord may store the tenant's personal possessions in the unoccupied dwelling unit that was abandoned by the tenant, in any other available unit or any storage space owned by the landlord or off the premises if a dwelling unit or storage space is not available. The landlord shall notify the tenant of the location of the personal property in the same manner prescribed in subsection A of this section.

- 9 -

2

3

4

5

6 7

8

10 11

12

13

14

15

16

17

18 19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38 39

40

41

42

43

44

E. D. The landlord shall hold the tenant's personal property for a period of ten FIVE days after the landlord's declaration of abandonment. The landlord shall use reasonable care in holding the tenant's personal property. If the landlord holds the property for this THE REQUIRED period and the tenant makes no reasonable effort to recover it, the landlord may GIVE THE TENANT'S PERSONAL PROPERTY TO A CHARITABLE CORPORATION ORGANIZED UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE OR sell the property, retain the proceeds and apply them toward the tenant's outstanding rent or other costs which are covered in the lease agreement or otherwise provided for in title 33, THIS chapter 10 or title 12, chapter 8 and have been incurred by the landlord due to the tenant's abandonment. Any excess proceeds shall be mailed to the tenant at the tenant's last known address. A tenant does not have any right of access to that property until the OUTSTANDING RENT AND actual removal and storage costs have been paid in full, except that the tenant may obtain clothing and the tools, apparatus and books of a trade or profession and any identification or financial documents, including all those related to the tenant's immigration status, employment status, public assistance or medical care. If provided by a written rental agreement, the landlord may destroy or otherwise dispose of some or all of the property if the landlord reasonably determines that the value of the property is so low that the cost of moving, storage and conducting a public sale exceeds the amount that would be realized from the sale.

F. E. For a period of twelve months after the sale DISPOSAL OF THE PERSONAL PROPERTY, the landlord shall:

- 1. Keep adequate records of the outstanding and unpaid rent and the sale of the tenant's personal property.
- 2. Hold FOR THE BENEFIT OF THE TENANT any excess proceeds which have been returned as undeliverable for the benefit of the tenant.
- G. F. If the tenant notifies the landlord in writing on or before the date the landlord sells or otherwise disposes of the personal property that the tenant intends to remove the personal property from the dwelling unit or the place of safekeeping, the tenant has five days to reclaim the personal property. To reclaim the personal property the tenant must only pay the landlord for the cost of THE OUTSTANDING RENT AND THE ACTUAL removal and storage COSTS for the period the tenant's personal property remained in the landlord's safekeeping.
- H. G. In FOR THE PURPOSES OF this section, "abandonment" means either the absence of the tenant from the dwelling unit, without notice to the landlord for at least seven FIVE days, if rent for the dwelling unit is outstanding and unpaid for ten days and there is no reasonable evidence other than the presence of the tenant's personal property that the tenant is occupying the residence or the absence of the tenant for at least five days, if the rent for the dwelling unit is outstanding and unpaid for five days and none of the tenant's personal property is in the dwelling unit.

- 10 -

2

3

4 5

6 7

8

9 10

11

12 13

14

15

16 17

18 19

20

21

22

23

24

25

26

Sec. 10. Section 33-1371, Arizona Revised Statutes, is amended to read:

## 33-1371. Acceptance of partial payments

A. A landlord is not required to accept a partial payment of rent or other charges. A landlord accepting a partial payment of rent or other charges retains the right to proceed against a tenant only if the tenant agrees in a contemporaneous writing to the terms and conditions of the partial payment with regard to continuation of the tenancy. The written agreement shall contain a date on which the balance of the rent is due. The landlord may proceed as provided in article 4 of this chapter and in title 12, chapter 8 against a tenant in breach of this agreement or any other breach of the original rental agreement. if the landlord has provided the tenant with a notice of failure to pay rent as specified in section 33-1368, subsection B prior to the completion of the agreement for partial payment, no additional notice under section 33-1368, subsection B is required in case of a breach of the partial payment agreement. BEFORE JUDGMENT IS ENTERED IN AN ACTION BROUGHT BY THE LANDLORD FOR FAILURE TO PAY RENT, THE TENANT MAY HAVE THE RENTAL AGREEMENT REINSTATED BY TENDERING THE PAST DUE BUT UNPAID PERIODIC RENT, REASONABLE ATTORNEY FEES AND COURT COSTS INCURRED BY THE LANDLORD, IF ANY.

B. Except as specified in subsection A of this section, acceptance of rent, or any portion thereof, with knowledge of a default by tenant or acceptance of performance by the tenant that varied from the terms of the rental agreement or rules or regulations subsequently adopted by the landlord constitutes a waiver of the right to terminate the rental agreement for that breach.

- 11 -